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January 18, 1996

Delmar Karlen, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Region II
290 Broadway, 17th Floor
New York, New York 10278

Re: Passaic River Six-Mile Study Area - Identification of Potentially Responsible Parties.

Dear Mr. Karlen:

As you know, our last meeting concerning the identification of parties potentially responsible for costs associated with the Passaic River Study Area was held on July 17, 1995. Maxus Energy Corporation, responding on behalf of Occidental Chemical Corporation, recognizes that since that time the Agency has made progress in many areas of this portion of the project.

In the six months since our meeting, the Agency has sent out additional requests for information under Section 104(e) of the Comprehensive Environmental Response, Comprehensive and Liability Act, indeed, more than it previously had sent out in the history of the project. In addition, the Agency has carried through on its commitment to notify additional parties that they are liable for costs associated with the Passaic River Study Area. The Agency's notification of DuPont, the Sherwin-Williams Company and Reilly Industries in October certainly demonstrates the Agency's commitment to assemble a group of PRPs that reflects the real universe of parties responsible for the condition of the Study Area. The Agency has responded promptly to those parties when they attempted to assert that they were not liable. In much of this work, we have recognized the able hand of Amelia Wagner who, although comparatively new to the project, has demonstrated her considerable skill and determination. We find the Agency's progress particularly impressive in view of the recent budget constraints, furloughs and

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blizzards. Please convey our appreciation to Ms. Wagner for her commendable dedication and follow-through.

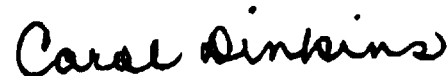
As we promised during the July meeting, we have been considering your request that Maxus establish a document depository that would contain copies of the publicly-available files at the Agency, together with such other information as Maxus may choose to include. We believe that it is in the Company's best interest to establish such a depository. This facility will assist other liable parties in understanding the scope and basis of their liability so that they presumably will be more willing to cooperate in the implementation of the Administrative Order on Consent.

We also recognize and certainly hope that this document depository might ease some of the pressure on the Agency of responding to requests for public information. It will aid in achieving this goal if the Agency assists Maxus in ensuring that the information included in the materials available in this document depository parallels the information available at the Agency. We anticipate that this confirmation process could be accomplished at an informal level and would perhaps be best handled by Gerald R. Connolly working directly with the Kroll representatives.

As we undertake meetings with the other noticed PRPs, we look forward, as we discussed in July, to the Agency's convening a meeting of the noticed PRPs; the EPA convening such a meeting will meaningfully assist in the formation of a working group.

I trust you had a happy holiday season, braved the post holiday storms without incident, and otherwise are enjoying the New Year.

Very truly yours,



Carol E. Dinkins

cc: Amelia Wagner, Esq.

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